

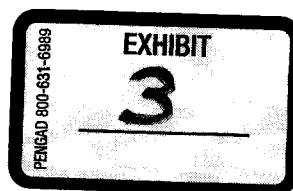
JUL 29 2007 10:02 AM  
**RESIDENCY AGREEMENT**

CLASSIC RESIDENCE BY HYATT

JOHN AND ELIZABETH FINZER

**CLASSIC RESIDENCE**

BY  
**HYATT®**



CR00000761

CR00000762

**CONTINUING CARE RESIDENCY AGREEMENT  
CLASSIC RESIDENCE BY HYATT AT THE GLEN  
GLENVIEW, ILLINOIS**

**CR00000763**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>RECITALS.....</b>	<b>2</b>
<b>I. ACCOMODATIONS AT THE COMMUNITY.....</b>	<b>3</b>
A. Your Home.....	3
B. Furnishings.....	3
C. Eligibility.....	3
D. Term of Agreement.....	3
<b>II. GENERAL SERVICES.....</b>	<b>3</b>
A. Services Included in Monthly Fee.....	3
1. Dining Services.....	4
2. In Home Meal Delivery.....	4
3. Housekeeping.....	4
4. Linens.....	4
5. Activity Programs.....	4
6. Transportation.....	4
7. Community Areas.....	4
8. Parking.....	4
9. Storage.....	4
10. Utilities.....	4
11. Maintenance.....	4
12. Emergency Response.....	5
13. Long-Term Care.....	5
14. Taxes.....	5
15. Insurance.....	5
B. Services not Included in Monthly Fee.....	5
1. Additional Meals.....	5
2. Special Services.....	5
<b>III. FEES.....</b>	<b>5</b>
A. Entrance Fee.....	6
1. Deposit.....	6
2. Balance of Entrance Fee.....	6
3. Escrow.....	6
B. Monthly Fee.....	6
1. Amount to Pay.....	6
2. Payment Procedures.....	7
3. Credit for Absences.....	7

C. Fees for Additional Services.....	7
<b>IV. LONG-TERM CARE.....</b>	<b>8</b>
A. Services.....	8
1. Skilled Nursing.....	8
2. Assisted Living and Memory Support.....	8
3. Medical Director.....	8
4. Care Team.....	8
5. Physician Care.....	9
6. Home Health Care.....	9
7. Hospital Care.....	9
8. Specialized Rehabilitative Services.....	9
9. Care During Absence from the Community.....	9
B. Costs of Long-Term Care Services.....	9
1. Coverage.....	9
2. Major Medical Coverage.....	10
3. Cooperation in Obtaining Health Benefits.....	10
<b>V. PROVISIONS WITH RESPECT TO YOUR HOME.....</b>	<b>10</b>
A. Your Housekeeping Responsibilities.....	10
B. Occupancy by Additional Persons.....	10
C. Damage to Home.....	11
D. Alterations.....	11
E. Maintenance and Repairs.....	12
F. Right of Entry; Licensure.....	12
<b>VI. TRANSFERS FROM YOUR HOME.....</b>	<b>12</b>
A. Temporary/Permanent Transfers.....	13
1. Temporary Transfers.....	13
2. Permanent Transfers.....	13
3. Continuation of Fees.....	13
B. Transfers to a New Home.....	13
C. Return to Home After Permanent Transfer.....	14
<b>VII. TERMINATION OF AGREEMENT .....</b>	<b>14</b>

A.	Termination During First Fourteen Days.....	14
B.	Termination After Fourteen Days, But Prior To Occupancy.....	14
C.	Termination After Occupancy.....	15
D.	Death and Second Resident Rights.....	15
E.	Termination Rights of Provider.....	15
1.	Residents Financial Difficulty.....	15
2.	Termination For Just Cause.....	16
3.	Written Notice and Effect of Termination.....	16
F.	Amount and Timing of Refunds.....	17
1.	Sections VII.A. and B. ....	17
2.	Sections VII.C., D. and E. ....	17
3.	Cancellation of Entrance Fee Note.....	17
<b>VIII.</b>	<b>RESPECTIVE RIGHTS OF RESIDENT AND PROVIDER.....</b>	<b>17</b>
A.	Private Duty Aides.....	17
B.	Community Policies.....	17
C.	Lease of Home.....	18
D.	Resident's Rights.....	18
E.	Relocation of Personal Property; Restoration of Home.....	18
<b>IX.</b>	<b>MISCELLANEOUS.....</b>	<b>18</b>
A.	Third Party Liability.....	18
B.	Insurance.....	18
C.	Interruption in Services.....	19
D.	Liability for Injury or Damage.....	19
E.	Resident's Representations.....	19
F.	Review of Disclosure Statement.....	20
G.	Possible Imputed Interest Tax Liability.....	20
H.	Notices.....	21
I.	Entire Agreement.....	21
J.	Severability.....	21
K.	Waiver of One Breach Not a Waiver of Any Other.....	21
L.	Provider's Right to Contract.....	21
M.	Assignment.....	22
N.	Counterparts.....	22

APPENDIX A	RESIDENT APPLICATION DOCUMENTS
APPENDIX B	MEAL PLANS
APPENDIX C	ENTRANCE FEE NOTE
APPENDIX D	RESIDENT HANDBOOK

**CLASSIC RESIDENCE by HYATT AT THE GLEN  
CONTINUING CARE RESIDENCY AGREEMENT**

This Continuing Care Residency Agreement ("Agreement") is made between CC-Lake, Inc., a Delaware corporation (the "Provider") through its agent Classic Residence Management Limited Partnership, d/b/a "Classic Residence by Hyatt," and John Finzer and Elizabeth Finzer (collectively, "You" or "Resident").

**RECITALS**

A. Provider has obtained a permit under the Illinois Life Care Facilities Act to provide life care services to individuals 62 years and older at the community known as Classic Residence by Hyatt at The Glen, Glenview, Illinois (the "Community").

B. The Community is under construction and, upon completion, will be comprised of 296 independent living units (45 villas and 251 apartments in the main building), a care center with private skilled nursing suites, assisted living residences and private suites for memory support (the "Care Center"), common areas including a pool, library, activity rooms and dining venues and administrative offices. The first residential units and most of the community areas in the main building are expected to be ready for occupancy in September 2002, and the Care Center is expected to be completed and ready for occupancy in 2003.

C. To foster resident input related to the corporate governance of the Community, Provider has established an Illinois not for profit corporation, Classic Lake, Inc. ("Classic Lake"), which will operate some or all of the Community pursuant to a written lease with Provider (the "Classic Lease"). Provider is the sole member of Classic Lake and the entities are therefore affiliated. Provider is the ultimate party responsible for providing services to You under this Agreement. Residents of the Community may be appointed to the board of directors of Classic Lake, along with representatives of Provider, in accordance with the Articles of Incorporation and By-Laws of Classic Lake. Provider and Classic Lake are not affiliated with any religious or charitable entity.

D. Within the limits and for the periods set forth in this Agreement, Provider will provide You with independent residential accommodations and assisted living, memory support and skilled nursing services. This Agreement sets forth those services in detail, and provides a statement of Your legal rights and obligations with respect to Provider.

**I. ACCOMMODATIONS AT THE COMMUNITY**

**A. Your Home**

You have chosen to live in Apartment or Villa #30 , located at 2351 Indigo Lane at the Community (Your "Home").

**B. Furnishings**

Your Home will be furnished with a refrigerator, microwave, range with surface cooking units and oven, garbage disposal, dishwasher, smoke alarm, emergency call system, washer and dryer, and window and floor coverings. These furnishings, Your Home and Community are the property of Provider. You may additionally furnish Your Home as You wish, in accordance with the Community's standards which will be described in the Resident Handbook.

**C. Eligibility**

To be eligible to occupy Your Home and receive the long-term care services described in this Agreement, You must be at least 62 years of age and meet the financial and health criteria established by Provider at the time You enter into this Agreement. Application Documents are attached as Appendix A.

**D. Term of Agreement**

This Agreement is executed in accordance with the Illinois Life Care Facilities Act and will be in effect for the rest of Your life, provided You comply with Your obligations hereunder and unless this Agreement is terminated as provided in Section VII.

**II. GENERAL SERVICES**

**A. Services Included in Monthly Fee**

You will receive the following services and amenities as part of Your Monthly Fee (defined below in Section III.B.):

1. Dining Services. You have selected the dining service program identified on Appendix B, for Your dining needs while residing in Your Home. All meals under the dining service program will be served in one of the club-style dining rooms. Additional meals will be charged separately, as set forth in Section II.B.1. Credit for extended absence is outlined in Section III.B.3.

2. In Home Meal Delivery. During Your temporary illness, meals will be delivered to Your Home without a delivery charge, after notice to and authorization from the Wellness Director. There will be a charge for deliveries at other times.

3. Housekeeping. Housekeeping services consisting of light dusting, vacuuming carpets, washing kitchen and bathroom floors, and bathroom cleaning will be performed on a weekly basis. On a semi-annual basis, windows will be washed.

4. Linens. Weekly linen service for Your bath towels and bed linens.

5. Activity Programs. Social, cultural and recreational programs (to the extent You wish to participate).

6. Transportation. Local group transportation as scheduled by Provider.

7. Community Areas. Use of all recreational amenities at the Community.

8. Parking. Parking will be available for one (1) vehicle per Home in the main building, provided You have a valid driver's license, insurance and an automobile. Provider will make additional parking available for a second vehicle per Home for an extra fee, space permitting. Parking in the main building will be on a valet basis. Villa homes have an attached garage.

9. Storage. One (1) storage space will be assigned to each apartment home in the main building. Provider may make additional storage spaces available for an extra fee, space permitting.

10. Utilities. Electricity, water, sewer, trash/garbage, heating and air conditioning and basic cable television services.

11. Maintenance. Maintenance of buildings and grounds, including routine maintenance of the appliances and fixtures in Your Home.

12. Emergency Response. Emergency call system.
13. Long-Term Care. A long-term care program providing assisted living, memory support and skilled nursing care, as described in Section IV.
14. Taxes. Provider will estimate the real estate taxes, special taxes or assessments, and any other taxes expected to be levied by the Village of Glenview, County of Cook and State of Illinois on the Community. Those estimated taxes will be included in Your Monthly Fee.
15. Insurance. Property and liability insurance related to the Community and its operation, as described below in Section V.C.

**B. Services not Included in Monthly Fee**

You will pay an additional charge, referred to throughout this Agreement as "Miscellaneous Expenses," for any services not set forth in Section II.A. above, including the following:

1. Additional Meals. Additional meals not included in the dining service program described above in Section II.A.1., including meals for Your guests and additional meals served to You while in the Care Center. Credits for unused meals in a month may not be carried forward into the next month. Continental breakfast and a light lunch are available in the Bistro for a fee. The charges for additional meals and credits will be based on the Provider's estimate of costs, which may change from time to time.
2. Special Services. Upon Your request, additional housekeeping, transportation, guest accommodations, outside activities (e.g., theater performances) and other special services will be made available for an extra charge.

Your Monthly Fee will not include the cost of insuring your personal property or damage or injury You or Your guests or invitees cause to the Community or individuals (See Section V below).

**III. FEES**

Occupancy of Your Home, use of the accommodations in the Community and the right to receive the services described in this Agreement are contingent upon Your payment of the following fees:

A. Entrance Fee

5/30/03  
# 698,800.00 *PTG*

You agree to pay the sum of \$701,300.00, plus a Second Person Entrance Fee of \$25,000.00 (collectively, the "Entrance Fee"), as follows:

1. Deposit. \$72,630.00 (the "Deposit") upon execution of this Agreement (or at the time of executing Your Ten Percent (10%) Reservation Agreement ("Reservation Agreement"), if applicable).

2. Balance of Entrance Fee. You shall pay the balance of the Entrance Fee prior to occupying Your Home, but not later than thirty (30) days following the date Provider notifies You that Your Home is available for occupancy (such date earlier to occur is referenced as the "Occupancy Date"). Any interest earned on the Deposit will be credited against the balance due. Upon Payment of the balance of Your Entrance Fee, Provider will issue You a promissory note (the "Entrance Fee Note") representing Provider's refund obligation under this Agreement, in substantially the form attached as Appendix C.

3. Escrow. Provider will hold the Deposit and the deposits of all other residents in a segregated account as required by the State of Illinois under the Life Care Facilities Act. The Deposit will earn interest at the rate set forth in Your Reservation Agreement.

B. Monthly Fee

1. Amount to Pay. You agree to pay a monthly fee (the "Monthly Fee") to Provider, commencing on the Occupancy Date (prorated for the first month if the Occupancy Date is other than the first day of the month). The Monthly Fee will initially be \$4,045.00 for a single Resident and \$620.00 for the second Resident. The Provider may increase or decrease Your Monthly Fee upon sixty (60) days advance notice.

All costs of operating the Community, including (i) the costs to provide the services which are described in Section II.A., (ii) insurance and employee expenses, (iii) all costs of maintenance, repairs, and replacements of capital items, including furnishings, fixtures and equipment, (iv) a management fee to Classic Residence by Hyatt which will be 8% of Community revenues, and (v) a lease payment under the Classic Lease (with an initial annual rental of \$661,000 and escalations every ten years tied to an

inflation index), are intended to be paid from revenue from monthly fees of all residents of the Community (and excluding proceeds from entrance fees paid). In order to diminish the likelihood of special assessments for replacements of capital items, furnishings, fixtures and equipment, the Community will maintain a reserve account ("the Capital Item Replacement Reserve") which will be funded by a portion of all Residents' Monthly Fees (at opening, 4% of Monthly Fees). The Community policies related to the Capital Item Replacement Reserve, the Classic Lease and Provider's payment of pre-opening costs and funding operating shortfalls via a Shortfall Loan are set forth in the Disclosure Statement (defined below in Section IX.F).

Provider will forecast on an annual basis anticipated costs of operating the Community and anticipated monthly fee revenue for the next year. Typically, the forecasting occurs in November and Provider will reset monthly fees each February 1. In resetting Your Monthly Fee and the monthly fees of other residents, Provider shall take into consideration, among other things, projected costs, prior year costs and economic indicators.

2. Payment Procedures. Provider will bill You monthly in advance for Your Monthly Fee. You must make payment by the tenth (10th) day of the month in which Your Monthly Fee is due, to avoid a late payment charge of \$25.00 per delinquent payment. Any payment due which is delinquent more than 15 days shall bear interest at ten percent (10%) per annum (or such lower rate which is the maximum legal rate) from the date due until the date paid.

3. Credit for Absences. If You give advance written notice to Provider that you will be absent from the Community for more than fifteen (15) consecutive days You will receive a credit for the meals you miss under the meal plan You select. The credit will begin on the sixteenth (16th) day of Your absence and will be the amount of Provider's direct food costs per meal, as determined by Provider. The balance of Your Monthly Fee shall remain payable.

C. Fees for Additional Services

You agree to pay an additional charge for any services or supplies You use that are not included in Your Monthly Fee (as delineated in Sections II.A. and B. above). Provider will bill You for these additional charges as Miscellaneous Expenses, along with

Your Monthly Fee. The payment procedures will be the same as for Your Monthly Fee, including the imposition of late payment charges and interest on delinquent payments. The Provider reserves the right to change the scope, frequency and pricing of optional services available at the Community, upon reasonable prior notice.

#### IV. LONG-TERM CARE

##### A. Services

1. Skilled Nursing. Provider will provide basic skilled nursing care to You in a private suite at the Care Center at the Community. If the Care Center has not yet opened or has no space available, You will receive semi-private skilled nursing care at a nearby skilled nursing facility with which Provider has a referral agreement. When space is available at the Care Center, You are obligated to take occupancy upon notice from Provider. The charges for skilled nursing services are described in Section IV.B. below.

2. Assisted Living and Memory Support. Provider will provide You with assistance with such daily activities as bathing, dressing, grooming and administration of medications in an assisted living apartment or a private memory support suite at the Care Center, depending on which environment is appropriate. Each assisted living apartment will be furnished with window treatments, wall-to-wall carpeting in living and bedroom areas, vinyl flooring in the bathrooms, along with a small refrigerator, freezer, microwave oven and sink in the kitchen area. If the Care Center has not yet opened or has no space available, You will receive assisted living or memory support services at a nearby facility with which Provider has a referral agreement. When space is available at the Care Center, You are obligated to take occupancy upon notice from Provider. The charges for assisted living and memory support services are described in Section IV.B. below.

3. Medical Director. The Provider will contract on a consulting basis with a physician licensed to practice medicine under the laws of the State of Illinois, who will serve as Medical Director of the Care Center.

4. Care Team. The Community will have an interdisciplinary team consisting of the Executive Director, Care Center Administrator, Director of Nursing and the consulting Medical Director (the "Care Team"). The Care Team will monitor care at the Community, and participate in decisions regarding Your care and transfer.

5. Physician Care. The Provider is not responsible for physician care, and physician services are at Your expense.

6. Home Health Care. At Your request, Provider will assist You in accessing licensed home health care, provided that: (i) such care is consistent with all applicable laws, including Illinois laws and regulations pertaining to assisted living services; and (ii) You accept full responsibility for the cost of such home health care.

7. Hospital Care. At your request, Provider will assist You in obtaining access to hospital care, as necessary. Such care shall be at Your expense.

8. Specialized Rehabilitative Services. At Your request, Provider will assist You in obtaining specialized rehabilitative services from independent providers, such as physical therapy, occupational therapy and speech therapy. Such care shall be at Your expense.

9. Care During Absence from the Community. Except when no space is available in the Care Center as set forth in Sections IV.A.1. and 2., the Provider will not cover the cost of any care or services rendered to You other than at the Community. In order to receive benefits under this Agreement, You must return to the Community.

**B. Costs of Long-Term Care Services**

1. Coverage. When you transfer to the Care Center You will continue paying the Monthly Fee You paid when living in Your Home (as modified per Section VI.A.3., if applicable), plus a charge for additional meals at Provider's then-current meal rates. Once You transfer to the Care Center, basic skilled nursing care, memory support services, assisted living care, the Medical Director's services and the Care Team services are included as a part of Your Monthly Fee. If space is not available at the Care Center, You may receive such services at a nearby facility with which Provider has a referral agreement. When receiving care at the nearby facility, You must continue paying Your Monthly Fee and the charge for additional meals to Provider, and Provider will pay the monthly fee charged at the facility providing Your care. Provider's payment obligation shall end when space becomes available at the Care Center. Although Provider agrees to pay for Your care as described in Sections IV.A., 1. and 2., all obligations regarding the provision and quality of care at the nearby facility shall be the responsibility of that

facility and not Provider, and You agree to hold harmless Provider for any injury or damage You incur at the nearby facility.

The following are not included in Your Monthly Fee and are not part of Provider's obligations under this Agreement: physician care and charges, medication, dental care, ancillary supplies and services (such as prescriptions, bandages, oxygen, respiratory equipment and personal hygiene products), home health care, hospital care, rehabilitation services, private duty nursing care, and care for emotional, mental or behavioral conditions.

2. Major Medical Coverage. To avoid depletion of Your assets as a result of major medical expenses and as a condition of this Agreement, You must, at Your own expense, enroll in and maintain coverage under Major Medical Coverage. Major Medical Coverage shall mean (i) Medicare Parts A and B (or a Medicare equivalent program that is acceptable to the Provider) and (ii) a Medicare supplemental insurance policy (Medigap insurance); or, as an alternative to (i) and (ii), a private insurance policy providing equivalent coverage. If you fail to become eligible for Major Medical Coverage, the Provider may purchase such coverage on Your behalf and at Your expense.

3. Cooperation in Obtaining Health Benefits. You agree to cooperate (such as applying for health benefits, supplying information, submitting to medical examinations and filling out forms), with the Provider to obtain and to secure payment of all benefits to which You are entitled, whether under Major Medical Coverage or under any other private or governmental program.

**V. PROVISIONS WITH RESPECT TO YOUR HOME**

**A. Your Housekeeping Responsibilities**

You agree to keep Your Home in a clean and orderly condition.

**B. Occupancy by Additional Persons**

If a non-resident (including a spouse) wishes to reside with You in Your Home, he/she must apply for admission to the Community and meet the requirements of a new resident. The decision whether or not to accept the applicant will be made by Provider in its sole discretion. If the applicant is not accepted for residency, he/she will be deemed a guest, subject to the then-current Community guest policies and charges.

If the applicant is accepted for residency, You, the applicant and Provider will execute an amendment to this Agreement. The applicant will pay the then-current second person entrance fee for a home comparable to Your Home (at the same refund percentage then applicable to entrance fees). You will both be jointly and severally responsible to perform all obligations hereunder, including paying the then-current Monthly Fee applicable to double occupancy of a home comparable to Your Home. Entrance Fees of each Resident will be treated as one joint deposit and no refund of the Entrance Fees shall be calculated or due until this Agreement is terminated as to both Residents.

**C. Damage to Home**

The Provider will maintain insurance on the Community, including property damage and business interruption insurance, in amounts and with coverages it shall determine in its discretion. If all or part of the Community is destroyed or damaged by fire or other loss and in Provider's reasonable discretion the insurance proceeds are sufficient to rebuild the Community to its previous condition, Provider will proceed to have the premises restored. If Your Home is not suitable for occupancy during such restoration, to the extent covered by insurance, Provider will furnish You with reasonably comparable quarters at or near the Community and the services that it has agreed to provide to You under this Agreement or with appropriate substitutes. You will remain responsible for payment of Monthly Fees if such services are being provided to You.

**D. Alterations**

Provider may make any alterations to Your Home to meet legal requirements and may make any alteration to the Community it deems appropriate. You agree not to make any structural alteration to Your Home or the Community. You may make nonstructural alterations, additions or improvements to Your Home, provided You obtain the prior written consent of Provider. Provider may condition its consent upon Your prior written agreement that: (i) such work will be performed by Provider or under its direction; (ii) You will bear the costs of all labor, materials, plans, permits, approvals and incidental expenses necessary to make such alterations; (iii) if the alterations are other than Provider's standard or upgrade, upon termination of Your occupancy of Your Home for any reason, Provider may require You, at Your expense, to remove such alterations and to restore Your Home to its original condition (if Provider performs such

restoration, the costs shall be deemed a Miscellaneous Expense hereunder); and (iv) all such work shall be performed diligently and in a first-class, workmanlike and lien-free manner.

**E. Maintenance and Repairs**

The Provider will be responsible for maintaining and making all necessary repairs to the Community (the cost of which will be included in Community operating costs to be paid from residents' monthly fees). (See the Capital Expenditure Policy set forth in the Disclosure Statement.) However, You will be responsible for reimbursing Provider directly for the cost of repairing any damage that You cause to the Community, beyond ordinary wear and tear.

**F. Right of Entry; Licensure**

Provider and its agents will have the right, upon reasonable notice, to enter Your Home to respond to emergencies, perform services, make repairs, display Your Home to prospective residents (for example, if You have given Provider a notice of termination), and for all other lawful purposes. In addition, because the Community is licensed as a life care community, it may be necessary for a representative of the State of Illinois to enter and inspect the Community and Your Home, without advance notice. Provider will make every reasonable effort to preserve Your privacy in Your Home.

**VI. TRANSFERS FROM YOUR HOME**

You may request a transfer to another home or care setting within the Community. In addition, the Provider, in consultation with the Care Team and You, Your physician, or Your family members, may request that You transfer to another care setting at the Community. A transfer request may be because: (1) You require a level of care that may be provided more safely, effectively or efficiently at a location other than in Your current location within the Community; (2) You require care that may not lawfully be provided in Your current location within the Community; (3) You require care that Provider does not provide; or (4) You engage in conduct that interferes with the peaceful lodging of residents or the administration of the Community.

**A. Temporary/Permanent Transfers**

1. Temporary Transfers. If You temporarily transfer from Your Home to the Care Center, You will continue to pay Your regular Monthly Fee, as well as the charges for any additional services and meals You receive.

2. Permanent Transfers. The Provider will determine, in consultation with the Care Team and You, Your physician, or Your family member, whether Your transfer is permanent. If You (or, if this Agreement covers two Residents, both of You) permanently transfer to the Care Center or outside the Community, You must vacate Your Home within thirty (30) days. If You do not vacate Your Home within the thirty (30) day period, You will pay double Your Monthly Fee from the 31st day until Your Home is vacated. Notwithstanding a permanent transfer, this Agreement shall remain in effect until You or Provider terminate it under Section VII.

3. Continuation of Fees. Following the permanent transfer of one or both of You from Your Home to another location in the Community, You will continue to pay Your regular Monthly Fee, plus any additional expenses required by this Agreement. However, if within twelve (12) months of Your transfer to the Care Center, You moved from one independent unit to another independent unit, then Your "regular Monthly Fee" will be deemed to be the highest of Your previous Monthly Fees during that twelve (12) month period. Your Monthly Fee while residing in the Care Center will be automatically adjusted as the market rate monthly fee for the type of independent unit You occupied prior to Your transfer (as modified by the preceding sentence) increases or decreases from time to time.

**B. Transfers to a New Home**

You may elect to move from Your Home to a different residence in the Community upon notice to Provider, subject to availability and execution of Provider's form amendment to this Agreement. In the event the then-current entrance fee for the new home is higher than the Entrance Fee hereunder, You will pay to Provider the additional amount, which will be added to Your Entrance Fee pursuant to the amendment to this Agreement (for refund purposes (Section VII.F.) the additional amount shall be considered to have been paid at the time You began Your residency). In the event the new Home has a lower entrance fee than the Home from which You are transferring,

Your original Entrance Fee will remain at the amount set forth in Section III above. After a transfer to a new apartment or unit, Your Monthly Fee will be adjusted so that it equals the then-current Monthly Fee for the Home You are then occupying.

**C. Return to Home After Permanent Transfer**

If You vacate Your Home pursuant to what was expected to be a permanent transfer (as provided in Section VI.A.2.), and You become able to return to a residential apartment at the Community, Provider will offer You an apartment comparable to the Home You vacated, as soon as one becomes available.

**VII. TERMINATION OF AGREEMENT**

**A. Termination During First Fourteen Days**

Under Illinois law, You have the right to cancel this Agreement without penalty or cost (other than forfeiture of any amount You paid Provider for upgrades to Your Home) for a period of fourteen (14) days beginning with the first full calendar day following (i) the execution of this Agreement, (ii) the payment of an initial sum of money as deposit, or (iii) receipt of Provider's Disclosure Statement, whichever occurs last. In the event of such rescission, Provider will send You a full refund of all money or property paid or transferred by You, with interest, if any, as provided in Your Reservation Agreement, within fourteen (14) days after Provider receives written notice of Your termination. You will not be required to move into the Community until after the expiration of the fourteen (14) day rescission period.

**B. Termination After Fourteen Days, But Prior To Occupancy**

You may terminate this Agreement for any reason after the fourteen (14) day rescission period described in Section VII.A. and prior to Your occupancy. You will be entitled to a refund of Your Entrance Fee, without interest, less those costs specifically incurred by Provider at Your request (including the cost of any upgrades to Your Home). In the event the termination is due to Your death or serious illness, Provider's fault or other circumstances beyond Your control, interest on the Entrance Fee at the rate set forth in Section III.A.3. will also be paid. Provider will send to You such refund within thirty (30) days after Provider receives written notice of Your intent to terminate.

**C. Termination After Occupancy**

You may terminate this Agreement after initial occupancy for any reason, upon not less than sixty (60) days written notice to Provider, sent by certified mail. The termination shall be effective on the date set forth in the termination notice (but not sooner than the sixty-first (61st) day following such notice), provided You vacate Your Home by that date. In the event of termination pursuant to this subsection C, the refund provision set forth in subsection F below shall apply.

**D. Death and Second Resident Rights**

This Agreement shall terminate upon the death of a Resident but only as to the decedent. If this Agreement covers two Residents and only one Resident dies or terminates this Agreement, then this Agreement shall continue in full force as to the other Resident, and the Monthly Fee shall be reduced to the amount then charged to a single resident for a unit comparable to Your Home. No refund of the Entrance Fee shall be calculated or due until this Agreement is terminated as to both Residents. In the event of termination of this Agreement as to all Residents pursuant to this subsection D, the refund provision set forth in subsection F below shall apply.

**E. Termination Rights of Provider**

1. Residents Financial Difficulty. After Your initial occupancy, Provider will not terminate this Agreement solely because You are financially unable to pay Your Monthly Fee or other charges. If You encounter financial difficulty making it impossible for You to pay Your full Monthly Fee and other charges, You will be allowed to remain at the Community, with a portion of Your Monthly Fee and other charges deferred based on Your ability to pay, provided that: (i) You establish facts that justify deferral of the usual charges, and (ii) such deferral may, in the sole discretion of Provider, be granted without impairing Provider's ability to operate on a sound financial basis, and (iii) You then agree in writing that the amount of any Monthly Fees or other charges deferred under this subsection E. ("Deferred Charges") shall be deemed a loan to You from Provider with interest on the outstanding amount at a rate of ten percent (10%) compounded annually. Provider will have a first security interest and lien against the portion of Your Entrance Fee which is refundable hereunder, and the outstanding loan balance shall be deducted when Provider calculates Your refund under subsection F

below. You will not be entitled to any deferral if You misrepresented Your income or assets, or if You impair Your ability to meet Your financial obligations by making gifts or other transfers of Your assets. In addition, Provider reserves the right to terminate or reduce the deferral if Your financial circumstances improve.

2. Termination For Just Cause. Provider will not terminate this Agreement unless it has just cause to do so. Just cause to terminate this Agreement shall include, but not be limited to, the following circumstances:

(a) You fail to pay Your Monthly Fee or any other charges that are due, after You have received written notice from Provider of the possibility of termination, and Provider determines that no basis for deferral exists under Section VII.E.1.;

(b) You fail to comply with the rules and regulations of the Community;

(c) Your continued residency at the Community poses a threat to Community property or the health, safety or property of Yourself, other residents or staff;

(d) You refuse to be transferred after Provider's request in accordance with Section VI of this Agreement;

(e) Your continued residence at the Community interferes with the peaceful lodging of other residents or the effective administration of the Community;

(f) You materially breach this Agreement, or made a material misrepresentation in Your application to the Community or by executing this Agreement (e.g., Section IX.E.); or

(g) You willfully divest, transfer or mismanage Your assets that are needed for Your payment of Your Monthly Fee and other charges due hereunder.

3. Written Notice and Effect of Termination. Before Provider terminates this Agreement under this subsection E, Provider will give You thirty (30) days written notice stating the cause for the proposed termination. Upon the termination of this Agreement, You must vacate Your Home and restore it to its original clean condition (excluding normal wear and tear) and the refund provision set forth in subsection F below shall apply.

**F. Amount and Timing of Refunds**

1. Sections VII. A. and B. Refunds pursuant to Sections VII.A. and B. shall be in the amounts and paid within the time periods set forth in those Subsections.

2. Sections VII. C., D. and E. When this Agreement is terminated pursuant to Section VII.C., D. or E. (i.e., after You take occupancy), You will be entitled to a refund equal to the greater of (i) ninety percent (90%) of Your Entrance Fee or (ii) Your Entrance Fee, less a fee of two percent (2%) of the Entrance Fee for each month (or part thereof, with "month" meaning a thirty (30) day period) from the Occupancy Date through the date of termination. All outstanding Monthly Fees, Miscellaneous Expenses and Deferred Charges will be offset against Your refund amount. Refunds pursuant to Sections VII. C. and D. shall be paid within one hundred twenty (120) days after You vacate Your Home in the condition required under this Agreement. Refunds pursuant to Section VII.E. shall be paid within forty-five (45) days after You vacate Your Home in the condition required under this Agreement.

3. Cancellation of Entrance Fee Note. In exchange for the receipt of the refund of Your Entrance Fee as provided under this Agreement, Your Entrance Fee Note shall be deemed cancelled and You or Your representative will deliver to Provider the Entrance Fee Note marked "Cancelled".

**VIII. RESPECTIVE RIGHTS OF RESIDENT AND PROVIDER****A. Private Duty Aides**

You may retain private duty aides or companions only upon the express approval of Provider and full compliance with Community policies, which include, among other things, Your full assumption of liability and indemnification of Provider relating to acts or omissions of such persons, and registration requirements.

**B. Community Policies**

Provider may adopt policies to preserve the health, safety and peaceful enjoyment of the Community by all residents, to repair and maintain the building(s) and grounds in a pleasant, clean and orderly condition, to administer services at the Community and for all other reasonable and lawful purposes. Many of these policies and

rules will be set forth in the Disclosure Statement and Resident's Handbook. The Provider reserves the right to amend said policies from time to time, and You agree to abide by the policies, as adopted and amended.

**C. Lease of Home**

You may not lease Your Home or assign this Agreement, without Provider's express written consent.

**D. Resident's Rights**

Residents of the Community have a right of self-organization, the right to join in group activities, to use Community amenities for group meetings and to obtain current copies of the Disclosure Statement, audits and inspections of the Community. Provider's representative will meet with residents quarterly in a general assembly to discuss the current status of the Community. Your rights under this Agreement are limited to those rights expressly granted in it and do not include any proprietary interest in the Community, any managerial or other interest in Provider or Classic Residence by Hyatt or any third-party contractor, or any interest in any payments made under this Agreement.

**E. Relocation of Personal Property; Restoration of Home**

If You transfer or give up Your Home for any reason, You agree to vacate and restore Your Home to its original clean condition (normal wear and tear excepted). You or Your legal representative shall pay all expenses (including those incurred by Provider) to so vacate and restore Your Home. Upon move-out, Provider shall have the right to remove and dispose of or store Your property, at Your expense.

**IX. MISCELLANEOUS**

**A. Third Party Liability**

If You are injured as the result of any act or omission of a third party, You hereby grant Provider a first lien against any judgment, settlement or recovery for any expense that Provider incurs in caring for You as the result of such injury. You shall cooperate in the pursuit of any claim or action against the third party.

**B. Insurance**

You assume all risk related to Your personal property at the Community, and agree to maintain insurance covering such property, with a reputable insurance

carrier. You shall also be responsible for obtaining liability insurance for bodily injury or property damage caused by You or Your home health aides, guests, licensees, invitees or employees.

**C. Interruption in Services**

An interruption in services or failure to maintain services under this Agreement shall not constitute a breach of this Agreement, if it is caused by factors beyond the reasonable control of Provider, including, but not limited to, strikes, lockouts or other labor disturbances, government orders, acts of terror, embargoes, shortages of labor or materials, inclement weather, fire, flood, earthquake or other casualties, power outages, or the conduct of residents. In the event of an interruption in services, Provider shall use reasonable efforts to restore the services or to provide substitutes.

**D. Liability for Injury or Damage**

You agree to indemnify, defend and hold Provider and Classic Residence by Hyatt and their respective shareholders, directors, officers, affiliates, partners, agents and employees and their respective directors, officers, and employees, harmless from all costs and liability for injury or damage caused by Your acts or omissions and those of Your home health aides, guests, licensees, employees and invitees, including attorneys' fees and costs.

**E. Resident's Representations**

By executing this Agreement, You represent and warrant, which representations and warranties shall be deemed remade when You take occupancy of Your Home (except as You otherwise notify Provider in writing prior to taking occupancy), that: (i) You meet all the criteria for residency at the Community and performance of all Your obligations under this Agreement; (ii) You have assets and income sufficient under foreseeable circumstances to meet Your ordinary and customary living expenses incurred after You assume occupancy at the Community; and (iii) all representations made by You or on Your behalf, whether written or verbal, with respect to Your admission to the Community, were true when made. If Your circumstances have materially changed prior to Your taking occupancy, You must notify the Provider of those changed circumstances prior to occupying Your home. In such event, Provider will determine in its discretion whether (a) Your changed circumstances prevent You from

being qualified to enter the Community and (b) to terminate this Agreement. If such changed circumstances are health related, Provider will not terminate this Agreement if You begin occupancy in the appropriate care setting within the Community and doing so complies with Illinois law. You understand and agree that any material misrepresentation or omission made by You or on Your behalf in connection with the application for residency, including personal data forms and statements of financial condition and health history submitted by You or on Your behalf to Provider, shall make this Agreement voidable at Provider's option.

**F. Review of Disclosure Statement**

You certify that You have received a copy of the Community's most recent annual disclosure statement (the "Disclosure Statement") on file with the State of Illinois and Village of Glenview. Provider will make available to You, at all reasonable business hours and upon reasonable notice, its current disclosure statement for the Community.

**G. Possible Imputed Interest Tax Liability**

In 1985, Congress passed legislation (Internal Revenue Code Section 7872(c)) that creates a meaningful risk that the IRS could classify part or all of Your Entrance Fee as a below market interest rate loan to the Provider. If any portion of the Entrance Fee is determined in the future to be a below market interest rate loan to the Provider, the IRS may impute interest to You and You could be liable for certain federal income taxes as if Your Entrance Fee were an interest bearing loan and regardless of whether You received any interest payment. In such a situation, You would have taxable income to the extent of the imputed interest, with no corresponding deduction or payment of interest income. The Provider, by this discussion, does not undertake to provide any tax advice or opinion to You. The Provider makes no representations and renders no advice as to the likelihood of the IRS successfully imputing interest income to You. The Internal Revenue Code and Regulations may be amended from time to time and the Provider will not monitor or provide notices to You of any such amendments. You are urged to seek independent tax advice concerning any tax consequences associated with this Agreement.

**H. Notices**

All notices required or permitted under this Agreement shall be delivered to:

CC - Lake, Inc.  
c/o Classic Residence by Hyatt  
200 W. Madison  
Suite 3700  
Chicago, IL 60606  
Attention: General Counsel

or to You at Your Home (or, if appropriate, to Your representative at the address furnished by You to Provider). All such notices shall be effective when personally delivered or received.

**I. Entire Agreement**

This Agreement, including all attached Appendices, constitutes the entire agreement between You and Provider and may not be amended unless executed in writing by Provider.

**J. Severability**

If a court deems any term of this Agreement invalid, the remainder of this Agreement shall remain in full force and effect.

**K. Waiver of One Breach Not a Waiver of Any Other**

Provider's failure on any occasion to insist upon Your strict compliance with any term of this Agreement shall not be deemed a waiver of its right to insist upon Your strict compliance with all terms of this Agreement on any other occasion.

**L. Provider's Right to Contract**

Provider reserves the right to contract for services, enter into lease arrangements and management contracts, and delegate certain of its responsibilities under this Agreement, which may be with affiliates of Provider (collectively, the "Arrangements"). Provider also reserves the right to enter into residency agreements with other residents on terms which differ from the terms of this Agreement. Notwithstanding Provider's right to enter into such Arrangements and residency agreements, Provider shall retain the ultimate responsibility to carry out the provisions of this Agreement for You and for the benefit of the Community.

**M. Assignment**

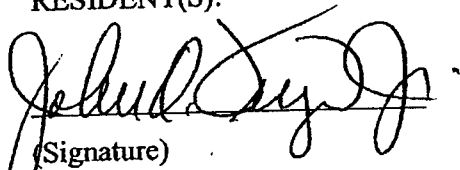
This Agreement shall be assignable by Provider in the event it transfers its interest in the Community. Provider shall be released from its obligations under this Agreement from and after the effective date of such assignment.

**N. Counterparts**

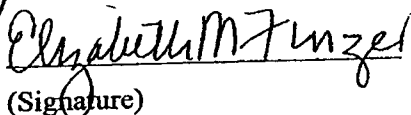
This Agreement may be executed in counterpart.

This Agreement is entered into by Resident(s) and Provider as of the latest date set forth below.

RESIDENT(S):

  
(Signature)

7/28/02  
Date

  
(Signature)

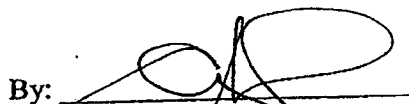
7/28/02  
Date

PROVIDER:

CC - Lake, Inc., a Delaware corporation

By: Classic Residence Management  
Limited Partnership, an Illinois  
limited partnership

Its: Managing Agent

By: 

7/29/02  
Date

Its: Executive Director

## **APPENDIX A - RESIDENT APPLICATION DOCUMENTS**

- Application for Acceptance
- Health Questionnaire
- Medical Approval Form for Prospective Residents

CR00000789

**APPENDIX B****[Meal Plans]**

You will receive the following services and amenities as part of Your Monthly Fee:

1. Dining Services. You may select one of the dining service programs described in a., b. or c. for Your individual dining needs while residing in Your Home. All meals provided under the dining service program options will be served in one of the club-style dining rooms. Your initials below indicate the dining service program option You have selected.
  - a. ☐ One meal per day (breakfast, lunch or dinner).
  - b. ☐ Twenty-one (21) meals per month (breakfast, lunch or dinner) at Provider's published rate.
  - c. ☒ A la carte plan (no prepaid meals) at Provider's published rate.

Initials

Initials

CR00000790

**AMENDED AND RESTATED****ENTRANCE FEE NOTE**

This Amended and Restated Entrance Fee Note (the "Note") is made as of September 30, 2002 (the "Effective Date") by CC-Lake, Inc. ("Maker") in favor of John and Elizabeth Finzer (collectively, "You" or "Resident"). Maker and Resident are parties to a Continuing Care Residency Agreement (the "Residency Agreement") related to Classic Residence by Hyatt at the Glen, Glenview, Illinois (the "Community"). This Note is Appendix C to the Residency Agreement. Terms not otherwise defined herein shall have the meanings set forth in the Residency Agreement.

On the Effective Date, Resident paid to Maker an Entrance Fee in the amount of \$723,800, which is intended to be a loan (the "Entrance Fee Loan"). Maker issued to Resident an Entrance Fee Note (the "Original Note") in connection with the Entrance Fee Loan. Maker and Resident desire to amend and replace the Original Note with this Amended and Restated Entrance Fee Note. Resident has surrendered the Original Note to Maker, and Maker hereby issues this Note to Resident.

Upon termination of the Residency Agreement, Maker will repay the Entrance Fee Loan to Resident, less (a) a charge of two percent (2%) of the Entrance Fee for each month or part thereof (a month meaning a thirty-day period) from the Occupancy Date through the termination date, up to a maximum charge of ten percent (10 %), and (b) all Monthly Fees, Miscellaneous Expenses and Deferred Charges owed by You as of the termination. The repayment will be made within 120 days of the date You surrender possession of Your Home or Your occupancy at the Community in the condition required under the Residency Agreement (unless sooner required under Section VII.E. of the Residency Agreement or any other agreement entered into between You and Maker).